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DEFINITION AND CONCEPTS OF POVERTY AND PROBLEMS IN
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During the post world war second period it was generally believed that the advanced industrial societies were free from poverty to a substantial degree. However, various studies conducted in Britain during the mid 1950's gave results contrary to this general belief. Even the studies carried out in United States of America revealed that over twenty per cent of the population was living under conditions of poverty. Public opinion had, therefore, undergone a change and steps to counter the menace of poverty had begun even in these advanced industrial countries.¹

In a situation where even the developed countries were not free from problems of mass poverty, there is hardly the need to try and build up a case for the developing or the underdeveloped countries. These countries are invariably faced with conditions of subsistence agriculture, inadequate industrial base, a striking contrast between the highest and the bottom income groups and high rates of population growth and unemployment. Poverty has, therefore, remained a part and parcel of the economic scene and the problem continues to plague these nations despite the introduction and implementation of a number of policy measures aimed at the eradication of poverty.

We shall, in this paper, attempt to throw some light on the definition, concepts and measurement of poverty with respect to India. ~~It is~~ only when the concepts are properly understood and the indicators to measure poverty properly defined, that it will be possible to have a clear picture of the people living under conditions of poverty. It will then be possible to develop suitable policy measures whereby improvements in the conditions of the poor can be improved.

The concept of 'the poverty line' and the ideas of 'living above the line' or 'on the line' were developed by Charles Booth nearly a hundred years ago (1887).²

Different people have defined poverty in different terms. George L. Wilber says that 'poverty itself is typically regarded as a lack of income, which in turn is related to poor housing, inadequate education, insufficient medical care, excessive fertility, unemployment and many other depressing problems.'³

The United States Government officially defined poverty in terms of inadequacy of current family income to meet a constant, absolute standard of consumption based on family size and farm vs. non-farm residence.

The definition of poverty based on income, although widely used, ignores the family life cycle as a process affecting deprivation. Moreover, income is only a small part of the socio-economic process and this has been defined more appro-

priately by S.M. Miller who defines poverty on the basis of six broad dimensions : (i) income; (ii) assets or wealth; (iii) access to basic services (health, transport, etc.); (iv) social mobility and education; (v) political power; and (vi) status and satisfaction.⁴

Eric Hobsbawn writes that poverty has always had several not entirely separable meanings and it is always defined according to the conventions of the society in which it occurs.

Robert Straus talks of poverty as 'deprivation of those minimal levels of health, housing, food, education, recreation compatible with the contemporary technology, beliefs and values of a particular society in a specific locality.'⁵

Secbohm Rowntree gave the subsistence definition of poverty where he said that a family would be considered to be living in poverty if its total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency.⁶

Poverty, in the economic sense, is defined as a state wherein an individual cannot satisfy his minimum wants for healthy living in a given social environment.⁷

Peter Townsend writes that 'poverty must be regarded as a general form of relative deprivation which is the effect of mal-distribution of resources.'⁸

Concept of Poverty

The definitions of poverty range from the limited view which sees poverty only in terms of survival to the wider ones that relate poverty to the average standard of living and quality of life in a society and to its systems of production and distribution of resources. However, although everyone understands the meaning of 'poverty' a universally acceptable and unambiguous definition is lacking.⁹

In the absence of such an acceptable definition simplistic concepts are used and income becomes a convenient measure for defining poverty. Other factors, such as, housing, health and employment may also be incorporated. However, the question as to why these factors relate to poverty are generally left unanswered. The use of income as a single indicator has inadequacies despite the fact that its usage is very common. It is, therefore, argued that there should not be a common definition for economic, social or cultural aspects of poverty when various relevant definitions are in use.

Two broad attempts to develop a meaningful explanation of poverty are found in the concepts culture of poverty and the cycle of poverty. Both these concepts consider poverty to be something economic and although they contribute potentially useful notions about poverty they do not, however, constitute a complete theory of poverty.

The culture of poverty concept was popularised by Oscar Lewis who feels that it is not merely a matter of deprivation or disorganisation but is something positive with its own rewards. In his own words 'it represents one's effort to cope with feelings of helplessness and desperation which develop from the realisation of the improbability of achieving success in terms of the values and goals of the larger society.'¹⁰

The main characteristics of the culture of poverty are that there are low levels of integration as well as low effective participation of the poor in the major activities of the society. The reasons behind such low participation being limited economic resources, segregation and discrimination, fear, suspicion and apathy.

The cycle of poverty, on the other hand, holds the view that a class of the society is predestined to lead a life of poverty because of factors like the colour, economic status or the type of occupation which they inherit from their parents. This concept was developed by M.Orshansky. The level of income, education, family structure and community reputation play a crucial role in determining the social status and in the case of the disadvantaged group they form a part of the vicious circle and act to perpetuate the social structure as well as family position with cumulative effects.

Wilber classified poverty into five general categories in relation to several basic resources.

- (a) Health Poverty Where a person suffers from some physical or mental handicaps which are acquired during the course of one's life time. They can be controlled through proper hygiene and health care. The ability to use or the opportunity to have access to health care facilities demands mobilisation of resources. Proper mobilisation can prevent, cure or control a given handicap. However, such a handicap can be suffered by anyone irrespective of his level of income.
- (b) Capability Poverty results when an individual is incapable of acquiring certain capabilities as a result of lack of education or training. Lack of skill formation may lead to underemployment or unemployment and this in turn will result in low levels of income.
- (c) Motivational Poverty results when an individual is unable to apply himself effectively towards the achievement of his goals. Any discrepancy between desired goals and actual achievement lead to frustration. Many a times failure result even when the pre-set goal was not unrealistic and at times when the goal itself was far too difficult to achieve. Even in cases where the goal was too simple and modest, motivational poverty will result since the goal itself had been ill conceived.
- (d) Personality Poverty is the gap between the generally accepted norms and those accepted by an individual. Such a behaviour when one fails to move along with the rest of

the society leaves a man unsocial and a misfit under the prevailing circumstances.

- (e) Status Poverty has a direct relationship with the levels of income, education and occupation and much of the discussions on poverty centre around the socio-economic status. The social status initially acquired from ones parents becomes a major determinant in the subsequent status of a person.

In addition to this^a particular region or a community may be placed at a disadvantage with respect to a few properties which again may lead to conditions of poverty. They too are being listed below.

(a) National Resource Poverty : A region may be not have adequate natural resources, or that the existing resources are either not being utilised optimally or facing depletion. Utilisation is directly associated with the level of technology whereas improper usage will lead to wastage and depletion. Settlement patterns play a major role in the use of natural resources. Poverty can be reduced through a more optimal utilisation of the given resources.

(b) Policy Poverty : The problem of poverty can best be tackled effectively when programmes and policies are designed such that there is proper coverage and effective mobilisation of efforts. Only under such circumstances will the benefits

reach those for whom the policy measures has been taken. Any discrepancy will mean faulty policy.

(c) Economic Poverty : The economic system and all that it includes constitute a basic resource. If these resources are improperly mobilised poverty results. Any failure to mobilise the means of production, distribution and consumption will lead to inequalities in income, low levels of living and unemployment.

(d) Norm Poverty : Many a time a section of people living either in isolation or belonging to particular community are unable to break away from the clutches of traditions and accept the prevailing social norms. This too results in conditions of poverty.

(e) Social Class Poverty : Poverty, in many ways, is equated with low social class. In relatively more flexible social hierarchies there is scope for upward movement through better education and avenues for better employment. But if the social hierarchy is rigid the scope for upward movement is restricted.

(f) Facility and Service Poverty : Community facilities and services are becoming an increasingly important part of basic resources. The better the quality, quantity and availability of these resources the better will be the conditions of the people. On the other hand, lack of facilities and services and improper organisation will reflect social service poverty.

(g) Mass Media Poverty : Media plays a crucial role in passing information from one place to another. Areas or regions where media service is not well developed will leave the citizens uninformed and so they may not be able to acquire knowledge and skills leading to low levels of income.¹¹

The identification of the properties of poverty based on total resources, along with the nature and degree of mobilisation, provide a broad framework for the analysis of poverty as these properties provide the specific notions about the determinants of poverty. The life cycle concept provides a convenient basis for separating properties primarily attributed to individuals. The remaining characteristics help in the case of certain groups or classes of people.

Yet another set of concepts related to poverty are those where poverty is regarded as subsistence, inequality or externality. In the subsistence concept it is the minimum provision needed to maintain health and working capacity. The definition of poverty in terms of subsistence levels of living has wide acceptance because it seeks to describe poverty objectively as lack of income needed to acquire the minimum necessities of life. But the problem is that of defining the minimum. The problem of laying down an absolute and value free definition of poverty based on the concept of subsistence is rather difficult. B.S. Rowfree defined poverty with the help of the nutritionist Atwater who had devised a minimum calorie

intake per day by determining the amount of food which was required to prevent either gaining or losing weight. Rowntree estimated variations for men and women and worked out the market value of this food which satisfied the minimum needs. Over the years progress has been made in these estimates that even today they depend on a judgement of nutritional needs. However, these minimum requirements tell us nothing about cost of clothing, shelter and other items necessary to maintain life. There is, therefore, the need to have estimates of total minimum expenditure. Many attempts have been made to define this minimum but unfortunately even accepted standards even in the estimates of minimum food requirements are lacking. The subsistence level definition is thus arbitrary, circular and relative and is influenced by personal value judgements as well as political realities.

Inequality is concerned with the relative position of various income groups when compared with each other. Here society is viewed as a series of stratified income layers and poverty is concerned with how the bottom most layers fare in relation to the rest of the society. Poverty is, therefore, seen in the context of society as a whole. The concept of externality is concerned with the social consequences of poverty for the rest of the society rather than in terms of the needs of the poor.

Each of these concepts present numerous problems of definition and measurement. Paradoxically, we measure poverty

in terms of subsistence but the programmes and policies which are introduced to counter poverty are based on broader conceptions related to the various dimensions of well being for which no systematic statistical information is available.

People like R. Titmuss, P. Townsend, S.M. Miller and M. Rein have made efforts at broadening the definition but this leads to the problem of where to draw the cut-off points which distinguish those living under conditions of poverty from the rest of the population. For a solution of this dilemma we are forced to return to the relative absolute and disutility conceptions of poverty.

Statements about the extent of poverty in a society usually depend on obtaining information about the standard of living from a sample of households in that society. This information is particularly difficult to collect in the case of the poorest and the richest households. Secondly, the living standards are either understated or over estimated in the case of a large number of households irrespective of the criteria that is adopted.

These under or over estimates are caused by a variety of reasons. At times some sources of income are difficult to trace. Moreover, the definition of income may itself be too narrow where some details get ignored. Similarly in the period of rising prices income may appear to fall short of expenditures. And there may be a deliberate attempt to give inaccurate account of rent and dividends, etc., by the richer sections of society.

Above all different criteria regarding the standard of living lead to different results. Thus those households which are classified as being under poverty on the basis of their expenditure may not fall in the same category on the basis of their incomes and vice-versa. Finally, the financial resources of households keep fluctuating and so at any given time a household may either have unusually high or low resources.

In the case of India the poverty line was first mooted in 1957 by the Indian Labour Conference, the working Committee set up by the Planning Commission in 1962 to find out the minimum consumer expenditure levels recommended an overall average of Rs.20 per capita per month at 1960-61 prices for a minimum balanced diet. For the urban areas the average was Rs.25 per capita while it was Rs.18.90 per capita for the rural areas.

Dandekar and Rath¹² in their study estimated a minimum per capita expenditure of Rs.14.2 for rural areas and Rs.22.6 for the urban areas based on a per capita daily consumption of 2250 calories.

Gupta and others¹³ estimated the poverty line through the application of linear inverse interpolation method to the average per capita monthly expenditure and the associated calorie content of food items for the National Sample Survey 28th round data on consumer expenditure (1973-74). The estimates worked out to Rs.49.09 and Rs.56.64 per capita per month for rural and urban areas respectively.

The Sixth Five Year Plan defined the poverty line as the mid point of monthly per capita expenditure class having an intake of 2400 calories per person in rural and 2100 calories in urban areas. These mid points corresponded to Rs.76 in rural areas and Rs.88 in urban areas at 1979-80 prices. In terms of household income it corresponded to Rs.3500 per household per annum. In the Seventh Plan(1985-90)^{the} floor was raised to Rs.6400 per household.

Rajkrishna¹⁴ in his measurement of poverty also took into account public expenditure besides private expenditure. The items of public expenditure taken were health and family planning, water supply and sanitation and education. As the distribution of public expenditure was not available for the different income groups separately he has assumed that it is equitably distributed irrespective of the income groups. Thus by adding public and private expenditure the overall per capita expenditure was calculated. Therefore, using N.S.S. consumer expenditure data for the 25th round (1970-71) the state-wise poverty ratios were estimated.

Several attempts have been made at estimating poverty at regional levels by taking into account different factors for the identification of poverty. Most of the studies have taken the All India Poverty line as the base for measuring poverty either at the state or regional levels. However, this is not a correct indicator since consumption behaviour, income distribution, diet habits, cost estimates and the occupational structure varies considerably between regions and states.

Various studies¹⁵ have also worked out calorie requirements of people for different sex and age groups engaged in different occupations. However, since broad categories of occupational classification were taken into account the estimates cannot be said to be very accurate. Moreover, the relationship between per capita expenditure and the assumed calorie intake is not as simple as it appears because although the income is spent fully there is no way to insure that the required minimum calories were actually consumed. Above all, the minimum calorie intake measurement on the basis of per capita consumption is itself misleading since it neglects both the top and bottom income and expenditure groups. Added to it is the fact that most of the studies use N.S.S. data related to consumer expenditure. It is generally observed that these are underestimates particularly in the case of the lower income groups and the data do not account for things like fuel products collected freely from the forests, wages received in kind, government provided facilities of education and health and other such facilities which are provided either free or at subsidized rates to the masses. The measurement of poverty should, therefore, incorporate not only consumption but also the basic requirements and their availability. The standard of living along with the socio-economic conditions under which the population is living are crucial factors in the assessment of the poverty situation.

There is a lot of controversy in India with respect to the poverty situation and with respect to the view as to whether the development strategy adopted during the 1950's and 1960's really fall in the ethical trap of considering growth rather than the alleviation of poverty as our objective.¹⁶

It is argued that the Indian planners had given due thought to the problem of reduction of poverty in the 1950's and 1960's and to meet this requirement the Planning Commission had conceived of the idea of providing minimum income in order that an individual is in a position to meet this basic minimum requirements. Thus the basic objective of the plans was to raise the levels of income particularly of those groups of people whose incomes were extremely low. The planners, however, decided to tackle this problem through rapid growth instead of a direct attack on poverty itself since it was believed that rapid growth would lead to increased overall incomes and the benefits would percolate down to the lowest strata. It was also expected that rapid growth would result in gainful employment to those unemployed or underemployed.

Many feel that the 'trickle down effect' has not been as effective as was envisaged while adopting the rapid growth approach and consequently there has been a tendency towards an increase in the levels of poverty. A non equitable distribution of income and resources has led to the rich getting richer while the poor have become poorer. Jagdish Bhagwati,

however, objects to this view and is of the opinion that despite the fact that while between 1964-65 and 1975-76 there has not been a significant change in the share of the incomes of the lowest category of households, yet per capita incomes have increased. Thus even the constant share would imply a higher absolute level, indicating a decline in poverty.¹⁷

A study on rural poverty and agricultural performance carried out by Mantek Ahluwalia also reveals that a positive association exists between reduction in rural poverty and improved agricultural performances if we analyse the all India time series data.

However, over the years it has certainly been felt that in order to fight poverty a direct attack is more effective rather than the indirect approach through rapid growth as was adopted earlier. Growth strategy needs to be supplemented with appropriate policy measures aimed at the eradication of poverty. Over the last few years the central and state governments have been making a concerted effort in this direction. In the last annual plan (1989-90) for instance, poverty alleviation programme was accorded a high priority in investment. The programme has been integrated with sectoral development programmes, especially those taken up in the rural areas. It is hoped that these measures will succeed in making a dent on the problem by raising the levels of employment and incomes of those who have been lying either on or below the poverty line.

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